

PRIVILEGED AND CONFIDENTIAL

To: File, C-07471  
Universal Brokerage

November 13, 2009

From: Luz M. Aguilar

Re: Interview of James Pieron on November 3, 2009

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Others present on the interview at the USAO in Minneapolis:

Justin Delfino	-	SEC
Luz Aguilar	-	SEC
Steven Klawans	-	SEC
Susan Gradam	-	CFTC
Nick Pottratz	-	FBI
Amanda Knez	-	FBI
John Tschida	-	IRS
Frank Magill	-	USAO
John Fedders	-	Attorney

Mr. Fedders explained that his client appearing with a status as a witness and that he has a 3:00 PM flight that he needs to make but they are willing to come back if needed. Mr. Fedders also indicated that he saw the FO and the Form 1662 (which he claims he wrote). USAO, SEC and CFTC attorneys reviewed the different letters signed by James Pieron and he stated that he understood the letters and the need to tell the truth.

JDFX consists of three companies: Holdings, Tech, and Risk and Management Services ("RMS"). JDFX has two products: ITP – allows traders to trade at best price and it is used by various entities, including, JPMorgan, Barclay, Tresner, UBS, Deutsche, and Bank of America and its function is to route orders at best price; Kontrol – risk management product which allows retail brokers to run business from one station, it controls executions, risk trends and hedges at best price.

JDFX Holdings (formed in 2007) owns the two subsidiaries - Tech (formed in 2006) and RMS (formed at end of 2007 or early 2008). Tech is where the development takes place, it has workers and bills, takes cares of work permits and visas. RMS was created with the idea of being the vendor for the product like a marketing and sales entity. JDFX has not launched the Kontrol program because of regulatory issues. All JDFX entities were formed by Pieron and are based in Switzerland.

JDFX Fund is an entity incorporated in the Virgin Islands which holds brokerage relationship with Deutsche Bank – who credits. JDFX Fund is a regulated entity by Financial Services Commission ("FSC"). JDFX Fund Manager manages JDFX Fund. Neither of these entities have any legal relationship with JDFX Holdings. The JDFX name came from "James" – "David" (attorney who helped Pieron form JDFX) and FX. Pieron is the CEO, founder and majority holder of all of the JDFX entities. JDFX Funds was formed in 2005.

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JDFX Holdings owners are: Market Shot 35%; James Pieron 52.5%; and Clyde Diethelm 12.5%. Market Shot (Cook's company) increased its % ownership in 2009 from 20 to 35% and Diethelm earned its share thru time.

Pieron met Cook thru Nolan S. from PFG, Inc of Chicago. Pieron got a telephone call from Nolan telling him Cook was in town (in Switzerland) and wanted to meet with him. Cook showed up in Zurich around Sept or Oct 2006. Pieron later met Beckman thru Cook in his office in St. Paul around 2007. Cook wanted to meet with Pieron because he was making a tour of several FX companies. There was no purpose for the meeting; Cook was looking at FX companies. They talked about technology and Pieron gave Cook a demonstration of the ITP which was 90% developed and Kontrol's prototype. Cook did not say why he was interested in Pieron's products. Pieron was trying to do business with PFG and met Cook as a favor. The meeting was around 10 PM, and it was very inconvenient for Pieron.

Pieron doesn't recall when he spoke with Cook after than – sometime between Sept to December 2006. Cook was very impressed with the technology and was interested in trading in his platform and in investing in the company. At that time, Pieron was negotiating with FXOQ for an investment in the JDFX entities and they had done an evaluation. When Cook said he wanted to buy part of the company, Pieron had two deals on the table (Cook and FXOQ). The difference between the deals is that Cook wanted a bigger piece of the company and sent up a deposit immediately to show he was serious. The evaluation made for JDFX was for \$50 million. [Per Fedders – the evaluation may be less; they don't know the value of JDFX as of today.]

Cook's said he wanted to invest in JDFX because he wanted to personally diversify himself. Cook wanted to invest twice as much as FXOQ. There were no representation made by Cook, he was interested in trading in JDFX's platform because he will be savings millions per year. Cook's offer was \$10 million for 20% ownership. Cook didn't say where the money was coming from – he sent half million deposit. [Per Fedders – the deposit came from UBS Diversified Growth ("UBS Diversified") account on 12/4/06.] There were several transfers after the initial deposit – it ended up being \$10 million for 20% of company. From December 2006 (deposit) through the end of 2008 or early 2009 Cook invested \$15.2 million to buy stock from Pieron in the name of Market Shot for its current ownership of 35%. [Per Fedders - most checks came from UBS Diversified, 2 from Cook and 2 from Market Shot.]

Not all money received from Cook represented purchase of shares, some of the money to the Holding company. [Per Fedders – Cook was buying 35% investment, other money to trading platform for trading and Cook exercised own discretion without Pieron's input. Beginning in 3/6/07 up to June 2007, Cook transferred money (including some from Beckman's entity). Cook deposited for trading was about \$22.3 million and withdrew \$13 million. Cook had some success trading and was up 30% at some point but suffered losses of about \$9.5 during 2007-2009. Balance on the account is now between \$123-125,000. Cook took 2 withdraws back to back: 1/20/09 for \$5 million and 1/26/09 for \$7 million *{bank records show this withdrawal on 6/26/09}* and had previously taken out \$1 million on 6/28/07.] Cook didn't say why he was withdrawing funds.

Funds for the stock purchase went mostly to JDFX Holdings' two accounts at Credit Suisse and UBS, but because JDFX Holdings didn't exist when Cook started sending funds for his investment, the funds were sent to JDFX Management at Credit Suisse. Funds for the trading



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platform were sent to JPMorgan-London. Funds from Cook to UBS AG and Credit Suisse were for stock and funds to JPMorgan were for trading. [Per Fedders there were also \$500,000 from Oxford Global Advisors ("Oxford Advisors") as loan payback on 4/14/08 – loan payback of \$650,000 and \$150,000 was returned. There were 3 deposits from Oxford Global FX Growth ("Oxford FX"): 4/20/08 \$1 million; 5/8/08 \$2 million and 5/19/08 \$1 million. Shares were transferred by certificate from Cook.]

Beckman transferred shares of JDFX Fund to UBS Diversified – certificate signed by both Cook and Beckman. The transfer was made mark to market from Oxford to UBS. Transfer of shares owned by Beckman's entity to Cook's entity. Fund administrator (Virgin Islands) handled the due diligence and according to their records Cook owns UBS Diversified. According to the records he reviewed, Pieron believes Pat Kiley also has interest on UBS. Pieron has the articles of incorporation and power of attorney.

The Fund Net Asset Valuation is 300-500 pages per month.

Pieron met Kiley in 3 or 4 times in Minneapolis. Kiley was introduced by Cook as the Doctor but he did not give their affiliation. Kiley has a radio talk show. Pieron met Kiley the first time in Burnsville at the house he worked from. The house was converted into offices. Cook had his offices there at the time. Pieron didn't discuss JDFX trading with Kiley, he had no discussions in depth with Kiley – no discussions regarding FOREX trading or business deals. Pieron had a meeting with Cook, and Kiley was there in the house with his entire operation, around 15 people, but he doesn't remember any names. People were talking on the phone, doing office administrative work; they had computers in front of them. Kiley's office was on the top floor where he prepared his radio show. Bottom floor was Cook's enterprise. They were Kiley's employees but he didn't supervise them – Cook was the boss. Pieron doesn't remember how many file cabinets and he didn't see a safe. The last time he was there was in 2007.

Transfers from Cook to JDFX Fund Management & JDFX Holdings was for funding ownership on company – originally 20% ownership. Funds to JDFX Fund sent for the purpose of trading. Transfers from Oxford FX were for the trading platform. Oxford FX was owned by Beckman. Pieron knows this because he looked at due diligence files provided by the administrator. Funds transferred from Market Shot to JDFX Fund Management were for the purpose of Cook's ownership of JDFX. Funds transferred from Oxford Advisors to JDFX to PFG trading account was for the purpose of repaying loans that Pieron had to make to cover Cook's volatile trading. If Pieron received a margin call it needed to be immediately be covered. At least twice Pieron personally lend money to Cook to cover margin calls in the JDFX Fund that totaled \$500,000. Oxford Advisors sent \$650,000 as repayment of the loan which was \$150,000 to much which was returned by Pieron.

The loans from Pieron resulted from margin calls. The bank would call Pieron because he was JPMorgan's client. The margin calls were as a result of Cook's volatile trading. Cook was involved in carry trades from different countries – it was very volatile. Cook lost substantially at times. In 2007, the original broker, JPMorgan, terminated their relationship because of Cook's trading. It was JDFX's account, but Cook made the trading - Cook was trading his own money. To JPMorgan, JDFX is the customer. JDFX has the fastest platform and Cook wanted to trade using it. The account also had about \$7.5 million of Pieron's funds for a short period of time and

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Cook was trading it. Pieron got out because he could not handle the swings. Pieron requested withdrawal of his funds in the 3<sup>rd</sup> Quarter of 2007 but it was denied, he had to leave there until January 2008.

JDFX was valued at \$50 million even though it didn't have any customers. [Per Fedders – he gave an example of a car that will have significant value on the market – JDFX got that value because his platform is the fastest on the market, valuation based on future value.]

Pieron took out \$8.5 million out, for a gain of \$1 million. After that, only Cook's money was on the Fund. In April 2008, Beckman invested but Pieron dealt with Cook on the transaction. Pieron didn't talk to Beckman regarding trading. Pieron knew it was Beckman because the legal entity's papers. Pieron also corresponded with Beckman and talked to him a few times but not about trading strategies.

At one point money went from Cook to JDFX's JPMorgan bank account and then was transferred to PFG, Inc. The relationship was eventually terminated because of margin call on November 30, 2007. Pieron had to move the positions. Pieron told Cook he was affecting his positional business relationships with PFG. Pieron concentrated interests to make sure trading was OK at Deutsche bank. Pieron had a margin call from Deutsche bank as well.

Money to JDFX Fund for trading – Cook did not say whose money it was. Recently Cook called him in June 2009 and he kept repeating that the money was from profits on his company and he kept saying over and over out of context of conversation. Pieron doesn't know the source of funds from Cook to JDFX.

Pieron's original plan was to roll up all companies into JDFX Holdings but he could not do it because of the regulations in Switzerland. The companies remain separate. Pieron has the equity investment ownership documents in his possession. The fiduciary agent was JDFX Holdings and prior to that it was JDFX Fund Management. The documents are kept in a deposit box in Switzerland and mandated by law. Cook's ownership is in the name of Market Shot. Durand and Pettengill do not have any ownership in JDFX. At some point (beginning of 2008) Cook wanted to transfer some of his ownership (Market Shot) to Durand. This was mentioned in a meeting at JDFX offices in Zurich but the transfer never happened. Cook didn't say why he wanted to transfer ownership of shares.

The meeting was attended by Durand, Pettengill, Cook and Pieron. Pieron doesn't recall what was discussed in the meeting. It was a 15 minute meeting. Cook came to see them a few times to do due diligence and to see how the company runs. Durand and Pettengill do not have a say in the trading strategy. Durand was the COO of Cook's operations, but Pieron is not sure what Pettengill did for Cook. Cook is a seed investor in JDFX. When they came to Zurich, they did normal things, went out to restaurants, discussed baseball, cars, girls, but not business.

Pieron also met Cook in London in 2007 (or 2008). JDFX was invited by JPMorgan to the hedge awards. Cook was there to build relationships. Others in attendance were Capricorn (Mikel), JP Advisors perhaps but can't remember names. Pieron was not involved in any discussions between Cook, Capricorn or JP Fund.



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Pieron also travel to Panama with them around Jan-Feb 2009. Others in Panama were Cook, Peter Pearson from JP Advisors and several other people he met but can't remember their names. Pieron doesn't know who Gary Saunders is. Pieron's purpose for the trip was to build investor relationships. The trip was a super bowl party trip and Cook pressure him to go because Pieron had not attended the two prior years. They have an annual super bowl party but Pieron is not sure who hosts the parties. There is a different activity planned for each day, like fishing, tours, party and other different activities. Cook did not mention setting Oxford in Panama. They took a trip to a property and the narrator said they (Cook's group) were going to build a casino. The property is in Panama City and is a bare land. Pieron did not talk to Cook about the property and Cook did not try to make Pieron invest in the casino project. Cook did not mention the casino. During the trip Pieron avoided Cook as much as possible. If Cook got drunk, Pieron exits because he can't understand Cook when he gets drunk.

Pieron has trading records for JDFX. Cook's strategy involved the carry trades technique. The carry trades will hold high yield currency (Turkish at 17% at one time), receive % interest and Cook will be leveraged quite high – 32% allowed by Deutsche Bank (3-1). Pieron is not sure if Cook was hedging carry trade, he never asked Cook if he was hedging. Pieron told Cook he was not comfortable because the trading was volatile. Pieron believes the positions were not hedged because there wasn't any other account (that he knows). Pieron found out recently that Cook gave money to other people to do things behind Pieron's back – open accounts at Crown. Three of Pieron's employees, James Mason, Mathew Hammer and Jack Pieron (his brother), opened accounts at Crown Forex on their personal name for Cook. Jack Pieron said Cook solicited them to open the accounts. They sent all the money back and the accounts are closed. Pieron thinks it was wrong to open accounts behind his back because Cook is a seed investor. Pieron's brother didn't say why he opened the account, other than Cook wanted him to do it and that he will get a % of the profits. This happened about one year ago. Pieron said that having control of an account not on his name gives Cook advantage. [Per Fedders – accounts can be used for hedging, laundering money.] Money at Crown Forex: Hammers account, Pieron doesn't know what happened; Mazon's account turn back amount – exact amount; Jack Pieron's account lost the funds.

Even though Pieron had \$7.5 million invested with Cook, he was not aware of accounts used by Cook for hedging. At the time of the award ceremony in London, Pieron still had a relationship with JPMorgan, and he didn't win the award, just nominated. Cook initial strategy was not volatile, later the volatility was not manageable. JPMorgan gave Pieron notice that they were terminating their relationship to give him time to migrate the accounts to other banks. The administrator at JPMorgan probably knows who was doing the trading for the JDFX account, he probably knew Cook was doing the trading. Pieron did not tell JPMorgan Cook was doing the trading. Cook needed to be registered as a shareholder in the Fund and he was listed as the investment manager in the JDFX Fund documents. Cook was the only traded at this time.

Before Cook, JDFX Fund had about \$50 million under asset from one US client and it was doing currency trading – no cash. At this time, the ITP was in the developing stage and Pieron's algorithms were doing the trading (Tradex Capital Management). The algorithms were developed in 2005. Pieron wrote a CTP and TMP. The algorithms had a high frequency trading style and it was flat everyday. The strategy was profitable until it had to shut down. Around September 2006 the relationship with the US Company was terminated. The \$50 million in asset in management and JDFX's valuation are totally unrelated.



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Pieron describes Cook's trading strategy as risky. Pieron doesn't now 'directly' if Cook has a relationship with Sharai banking institutions. Pieron heard it mentioned and he investigated himself. Pieron originally heard it from Cook's Group (when pressed from whom he heard this, Pieron said from Cook). Cook mentioned that he will open two accounts, one long, one short and he will not pay interest on one side.

Pieron decided to do business with Cook and accept a big investment from him despite the fact that Cook was working out of a house because Cook was introduced by PFG as one of their "power" traders in FX and according to Pieron, people don't get that status easily. Pieron assumes Cook is a trader because he has seen him trade but he never talked to Cook about his strategy. Cook didn't say where he got the money to invest.

Pieron talked to Cook about currency arbitrage as background because Pieron developed the first arbitrage system in the world in 2004. Currency arbitrage was discussed when he met Cook the first time. The concept was to buy and sell the same currencies at the same time at inverted rate and take advantage of the different rates. For example, buy Euro/US\$ at Deutsche at 50 and sell Euro/US\$ at UBS at 51 and take advantage of fees because of interest fluctuations because of the speed of the trades and because the exchange rate comes from multiple sources are inconsistent. The trick didn't work anymore when Pieron discussed it with Cook because banks are more consistent with interest rates. Pieron told Cook that arbitrage trading is not risky – Pieron said that by definition "arbitrage = no risk." When pressed about the risk, Pieron explained that if buy at 50 and other bank rejects trade, you are stuck with the position and may lose a point or 2 points – "there is always risk." Pieron did not discuss arbitrage with Cook, it was just casual conversation. Cook's strategy was not the arbitrage strategy – that was done with the algorithms that went off line in 2005 and it never came back on line – that was years before Pieron met Cook. Sharai compliance banks were not discussed with Cook when they discussed arbitrage. Cook didn't say he was doing arbitrage and Pieron knew Cook didn't have the technology. Pieron told Cook the arbitrage didn't work anymore.

Regarding Crown Forex SA, Pieron was introduced to Shadi by Cook in 2007 over the telephone. They talked about technology because at the time JDFX had the prototype of Kontrol and Pieron was looking for a client. JDFX installed a few plug-ins at Crown Forex SA. Pieron doesn't know how Cook and Shadi met. In 2007, Cook was already a JDFX shareholder when he introduced Shadi to Pieron. Pieron met Shadi a year later because Cook delegated JDFX to do due diligence of Crown Forex SA because located in Switzerland. Pieron went to Crown Forex SA, conducted due diligence and gave report back to Cook – around February 2008. Pieron hired outside professionals to assist in the due diligence. There were at least 3 individuals at Crown Forex SA. They didn't give a favorable evaluation because Crown Forex SA's books were not verifiable by accountants. Pieron doesn't know the detail of the report but he has an email which he shared with Cook. Pieron doesn't have any other investments with Crown Forex SA.

Pieron also went to Crown Forex SA headquarters with Thomas Richardson. This was another outsourced task by Cook. Cook said he had an investor coming and wanted Pieron to put him on the train, take him to Crown Forex SA – basically baby sit because they didn't speak the language. Crown Forex SA is in the French side of Switzerland. Pieron went with them and Shadi was there. Pieron had a private moment with Shadi to talk about their previous argument and to



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discuss the technology improvement and how they can schedule a demo. During the time JDFX installed the plug-ins into Crown Forex SA's system a year before, Shadi was not satisfied with the plug-ins because they were not managing the risk. Pieron and Shadi got into an argument and they terminated the relationship.

There were no further discussions with Cook after the report. Pieron thinks Crown allows people to take short positions without charging interest. Pieron doesn't think they can make money by offering swaps because others charge interest. Pieron thinks entities will probably do that to gain customers and may be able to make money in other ways. Pieron believes Crown Forex SA advertised in their website that no swap accounts were offered – that is how Pieron got his understanding the Crown Forex SA did not charge interest in the short positions. JDFX didn't place any trades thru Crown Forex SA.

Pieron is not sure what properties Cook owns. He thought Cooks owned the castle until he saw the stories in the paper. Pieron didn't see the ownership paperwork, but assumed Cook owned it because his operations were at the castle. Pieron doesn't recall if Cook told him he purchased the castle. Pieron has seen several cars but he doesn't know about their ownership. Pieron just smiled when asked if he knew owned a submarine. Pieron gave Cook an "old Audi" Pieron built for 4 years (Audi RX6). Pieron gave the car to Cook after the car failed inspection in Switzerland because the car is not automatic. The Switzerland regulators made a bid deal about it. This is the only car with 6 shift transmission – one of a kind. He gave the car to Cook in 2008, but it is not worth much. Pieron has no idea if Cook still has the car. Pieron gave the car to Cook because he could not use it himself in Europe. Pieron paid to have the car shipped to Cook. The car sat at Pieron's father's garage for about one month in Detroit and after his father didn't want the car, Pieron shipped it to Cook.

Pieron has been at Cook's house twice, the last time in April 2009 because he was returning a monitor he borrowed from Cook to use in his hotel room. The house is a suburban house. Cook's wife gave him a tour, even though he already had a tour before. Pieron doesn't recall seeing computers or file cabinets. There were cars in the garage: an SUV (maybe a Lexus); black sports car (maybe a mesarrati). Pieron saw other cars at the mansion, but he doesn't know who the owners are.

Pieron has never heard of Crown Forex LLC. JDFX Holdings owns 100% of JDFX Tech and JDFX RMS. Clyde is the Chief Technology Officer and earned his 12% over time. JDFX's products ITP and Kontrol costs about \$8 million to develop so far – Pieron is still spending money to develop the technology. Pieron moved from Switzerland to US (Michigan). Pieron doesn't know the expense figure for development but he had an old burn rate of about \$200-250,000 per month. Pieron is moving his business to a technology park in Mt. Pleasant, MI owned by a Joint Venture (CMUR) between the Central Michigan University, Dell Chem and State of Michigan. JDFX will get human resources incentives to move to the tech park. Pieron moved from Switzerland because of the cost and because he failed in the acquisition of Bank DeMu. Pieron still wrapping up business in Switzerland, the company is moved completely. Pieron doesn't know if he is moving the Fund, will apply for registration with the NFA.

Pieron has been using his own funds for the burn rate to maintain the platform. He got money from the partial sale of the company to Market Shot. The burn rate includes expenses such

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as data center, insurance costs, travel and social security. JDFX's data center is located in London because it is the main connection with banks and it needs to be close to the banks. The \$7.5 million Pieron invested with Cook was derived from the private equity transactions with Cook and some small amount of private funds from him (\$250,000).

The Fund is not registered with the NFA or the CFTC. As of the time the moved to Michigan, Pieron has spent about \$8 million in developing ITP and Kontrol. That amount includes the moving expenses.

Cook did not pressure Pieron to make money in the company. JDFX is highly publicized with Saxo Bank and the Bank of America looked at them. Cook is confident that his investment is safe. Pieron explained that since the market change, Switzerland has a new requirement that regulated banks need to have \$30 million in capital, and it could take years to get regulated. Cook is not trying to get others to use JDFX's platform.

[REDACTED]

Pieron was asked what due diligence did he perform to decide to have Cook become his partner; to allow him to be part owner of his company; what representations made by Cook to Pieron to allow him to invest. Pieron said he was comfortable with Cook because of the deposit he send. Pieron said it is difficult to raise money, he can work on deals for months or years and deals won't happen. The other deal he was considering came with strategic partnership, Cook only gave him money; no strategic partnership. Cook was almost never sober, but during his conversations with Cook when he was sober, Pieron did not ask Cook how he raised money. Pieron did not receive financial statements for Cook. Pieron conducted due diligence on Cook per protocol: Google; viewed Cook's passport; utility bill (common because shows owner lives on building); and articles of incorporation. Pieron is not sure which utility bill he received, he believes it was the one from the Brownsville office or Cook's office because the due diligence was for Market Shot.

Pieron listen to Kiley's radio show for about 5 minutes but he doesn't know if Kiley was selling anything. Pieron doesn't know how Kiley is related to Cook or if Kiley is trying to raise money for Cook. Kiley's show sounds ridiculous. Kiley prepares for the show at the house but Pieron thinks is aired in about 66 stations. Pieron listen to the show after a meeting with Cook. Everyone made jokes about Kiley's show being funny and ridiculous. When pressed on who is "everyone," Pieron said Cook made jokes. Pieron would not invest money with Kiley because he doesn't invest with anyone. When reminded that he invested \$7.5 million with Cook, Pieron replied that it was because he was trying to launch his business. Pieron received \$10 million from Cook and invested \$7.5 of those funds with Cook because there was a \$10 million requirement at JPMorgan. His investment with Cook was a temporary fix to a capital requirement.

The first time Pieron listen to Kiley's show is when he got a link (probably from Cook) at the beginning of their relationship. The second time he listen because of the newspaper article. Pieron doesn't know what relationship is there between Cook and Kiley, but he knows there is one. Cook didn't talk to Pieron about his relationship with Kiley.



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Pieron was at the Brownville office doing some technology installation which included new monitors, computers, and internet connections. He upgraded Cook's system because he had stone age equipment. Pieron built the computers in Switzerland but got Cook local support.

Pieron was asked why when conducting due diligence on Market Shot he only did searches on Google; read articles of incorporation and utility bill and when conducted due diligence on Crown Forex SA, Pieron hired outside professionals? Pieron said he did more with Crown Forex SA because it was a reversed transaction, investing money into a company vs. receiving money from a company. Pieron is not sure what Market Shot does but he knows that it is a corporate entity. Pieron doesn't think it has any function other than to invest.

Pieron started building ITP in 2006 using the execution engine from the arbitrage technology. Kontrol was being build into ITP. A portion of the \$8 million spent to build the technology came from the equity investment. Overall cost of building the platform is between \$12-15 million – they use pieces of each technology to build the next. The other money to build the platform came from the earnings of trading the large hedge fund for which Pieron received management fees of over \$1 million in 2006. In summary, the funds used for developing JDFX's products came from \$1 million fees and equity investment by Cook. Pieron used own money to build the original piece of the technology.

Before forming JDFX Pieron was a consultant to banks (Union Bank of Switzerland and Micuo) and built IT structures. Mr. Fedders told Pieron to give us his experience starting with his military time. Pieron is 40 years old (DOB 10/1/69). He was in the military (Army) for 5 years starting in 1987; went to Central MI University on an ROTC scholarship for 3 years but did not graduate; at the Criminal Bureau of Investigation he developed a face recognition software. Pieron went back to the university in 97-98 and graduated. From 98 to late 99 to 2001 he worked for the Union Bank in Switzerland. Pieron went back to Detroit and did consulting for various companies while working for a parent consulting group (Doren Partners). In 2001, Pieron went back to Switzerland and worked at Micro Systems doing consulting for UBS and City Bank until 2002. During part of 2003, he was with Sun and a JV in Swiss technology company who introduced him to Forex. After that, he work in developing JDFX.

Regarding the advertising of JDFX in Oxford's newsletter, Pieron said that he was aware they will use his name or picture but not about the advertising. Pieron was told by one of the banks (PFG) that his company was advertised in arbitrage.com and he was upset. About 15 minutes after Pieron told Cook, the advertisement was taken down. Pieron thought it was reasonable that as a partner (Cook) will use JDFX name, but not without Pieron's permission. Pieron wrote to Cook because when he went to the website he saw companies' names such as Capricorn, JDFX and assumed it could not have come from any other source but Cook. The ad was taken down after Pieron wrote to Cook. JDFX was listed as a strategic partner. Pieron did not advise Cook on trading. JDFX entities did not invest in Crown.

Pieron was asked if he signed the release to obtain documents from FINMA related to JDFX, if there are any. [Per Fedders – Pieron would not sign today because he understood the SEC already got the document.] Pieron did not send any money to Crown Forex SA or signed any applications with them. Pieron would be the only one with authorization to sign the application with Crown Forex SA.